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TITLE 3—THE PRESIDENT PROCLAMATION 3059

MODIFICATION OF TRADE AGREEMENT CON- CESSION AND ADJUSTMENT OF DUTY ON ALSIKE CLOVER SEED

BY THE PRESIDENT OF THE UNITED STATES
OF AMERICA
A PROCLAMATION

1. WHEREAS, pursuant to the authority vested in the President by the Constitution and the statutes, including section 350 (a) of the Tariff Act of 1930, as amended, on October 30, 1947 he entered into a trade agreement with certain foreign countries, which trade agreement consists of the General Agreement on Tariffs and Trade and the related Protocol of Provisional Application thereof, together with the Final Act Adopted at the Conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment (61 Stat. (Parts 5 and 6) A7, A11, and A2050);

2. WHEREAS item 763 in Part I of Geneva-Schedule XX annexed to the said General Agreement reads in part as follows:

Tariff Act of 1930, para- graph	Description of Products	Rate of Duty
763	Grass seeds and other forage crop seeds: • • • • • Alsike clover.....	2¢ per lb.

3. WHEREAS, in accordance with Article II of the said General Agreement and by virtue of Proclamation No. 2761A of December 16, 1947 (61 Stat. 1103), the United States customs treatment of alsike clover seed described in the said item 763 is the application of duty at the rate of 2 cents per pound, which treatment reflects the concession granted in the said General Agreement with respect to such product;

4. WHEREAS the United States Tariff Commission has submitted to me its report of an investigation, including a hearing, under section 7 of the Trade Agreements Extension Act of 1951, as amended, as a result of which the Commission has found that alsike clover seed described in the said item 763 is, as a result in part of the customs treatment reflecting the concession granted with respect to such product in the said General Agreement, being imported into the United States in such increased quantities as to cause serious injury to the domestic industry producing like or directly competitive products;

5. WHEREAS section 350 (a) (2) of the Tariff Act of 1930, as amended (48 Stat. 943), authorizes the President to proclaim such modification of existing duties and such additional import restrictions as are required or appropriate to carry out any foreign trade agreement that the President has entered into under the said section 350 (a); and

6. WHEREAS I find that the modification of the concession granted in the said General Agreement with respect to alsike clover seed described in the said item 763 to permit the application to such seed of the duties hereinafter proclaimed is necessary to remedy the serious injury to the domestic industry producing the like or directly competitive product, and that upon such modification of the concession it will be appropriate to carry out the said General Agreement to apply to alsike clover seed the rates of duty hereinafter proclaimed:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, acting under the authority vested in me by section 350 of the Tariff Act of 1930, as amended, and by section 7 (c) of the Trade Agreements Extension Act of 1951, as amended, and in accordance with the provisions of the said General Agreement, do proclaim—

(a) That the provision in the said item 763 with respect to alsike clover seed, referred to in the second recital of this proclamation, shall be modified,

(Continued on next page)

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CFR SUPPLEMENTS

(For use during 1954)

The following Supplements are now available:

Title 7: Parts 1-209, Revised 1953 (\$7.75)

Title 15 (\$1.25)

Title 21 (\$1.50)

Previously announced: Title 3, 1953 Supp. (\$1.50); Titles 4-5 (\$0.60); Title 6 (\$2.00); Title 7: Part 900 to end (\$1.25); Title 8 (\$0.35); Title 9 (\$0.50); Titles 10-13 (\$0.50); Title 14: Parts 1-399 (\$1.25); Part 400 to end (\$0.50); Title 16 (\$1.00); Title 17 (\$0.50); Title 18 (\$0.45); Title 20 (\$0.70); Titles 22-23 (\$1.00); Title 24 (\$0.75); Title 25 (\$0.45); Title 26: Parts 1-79, Revised 1953 (\$7.75); Parts 80-169 (\$0.50); Parts 170-182 (\$0.75); Parts 183-299, Revised 1953 (\$5.50); Part 300 to end, and Title 27 (\$1.00); Titles 28-29 (\$1.25); Titles 30-31 (\$1.00); Title 32: Parts 1-699 (\$1.75); Part 700 to end (\$2.25); Title 33 (\$1.25); Titles 35-37 (\$0.70); Title 39 (\$2.00); Titles 40-42 (\$0.50); Titles 44-45 (\$0.75); Title 46: Parts 1-145 (\$0.35); Title 49: Parts 1-70 (\$0.60); Parts 71-90 (\$0.65); Parts 91-164 (\$0.45); Part 165 to end (\$0.60); Title 50 (\$0.55)

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during the 12-month period beginning on July 1, 1954, to read as follows:

Tariff Act of 1930, paragraph	Description of Products	Rate of Duty
763	Grass seeds and other forage crop seeds:	
	Alfalfa clover	2¢ per lb.
	Provided, That not more than 1,500,000 pounds of such seed entered during the 12-month period beginning on July 1, 1954, shall be dutiable at 2 cents per pound. Any such seed not subject to the rate of 2 cents per pound shall be dutiable at.....	6¢ per lb.

(b) That, during the 12-month period beginning on July 1, 1954, alfalfa clover seed described in the said item 763 as modified by paragraph (a) above, shall be subject to the rates of duty specified in such modified item 763.

Proclamation No. 2761A of December 16, 1947, as amended and supplemented, is modified accordingly during the 12-month period beginning on July 1, 1954.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of

the United States of America to be affixed.

DONE at the City of Washington this 30th day of June in the year of our Lord nineteen hundred and fifty-four, [SEAL] and of the Independence of the United States of America, the one hundred and seventy-eighth.

DWIGHT D. EISENHOWER

By the President:

JOHN FOSTER DULLES,
Secretary of State.

[F. R. Doc. 54-5190; Filed, July 2, 1954;
3:30 p. m.]

RULES AND REGULATIONS

TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter F—Security Servicing and Liquidations

[FHA Instruction 462.2]

PART 371—OPERATING LOANS

Subchapter G—Miscellaneous Regulations

[FHA Instruction 449.1]

PART 384—SPECIAL LIVESTOCK LOANS

SERVICING SPECIAL LIVESTOCK LOANS

1. Part 371 in Title 6 of the Code of Federal Regulations (19 F. R. 3987) is amended by adding to it Subpart C, as follows.

SUBPART C—SECURITY SERVICING FOR SPECIAL LIVESTOCK LOANS

Sec.

371.41 General.

371.42 Disposition of normal farm income security property.

371.43 Termination of nondisturbance agreements.

AUTHORITY: §§ 371.41 to 371.43 issued under R. S. 161; 5 U. S. C. 22. Interpret or apply sec. 2 (c) as added by 67 Stat. 149; 12 U. S. C. 1148a-2 (c).

§ 371.41 General. (a) Accounts and security for Special Livestock loans will be serviced in accordance with all regulations of the Farmers Home Administration which cover the servicing of accounts and security for operating loans insofar as such regulations are applicable and except as expressly provided in this subpart.

(b) Part 364 of this chapter does not apply to Special Livestock loans.

§ 371.42 Disposition of normal farm income security property. For Special Livestock loans, § 371.4 (b) is replaced by the following material.

(b) "Normal farm income security" consists of all security property not considered as basic security.

(1) With income division agreements. In connection with normal sales of livestock and livestock products which are covered by an income division agreement executed by the prior lienholder, County Supervisors are authorized to release livestock or livestock

products from the Government's junior lien, and proceeds from the sale thereof, when they have been sold for their fair market value, provided the proceeds are used as follows:

(i) To pay on the Special Livestock loan account amounts which the Government is entitled to receive under the income division agreement.

(ii) To pay on the indebtedness owed prior lienholders amounts not in excess of those which such creditors are entitled to receive under the income division agreement.

(iii) To pay other debts as agreed upon when the loan was made, provided the amount which the Government is entitled to receive under the income division agreement has been paid, and prior lienholders permit amounts from the income they are entitled to receive to be used for this purpose.

(2) Without income division agreements. In connection with sales of normal farm income security property not covered by an income division agreement, County Supervisors are authorized to release the property from the Government's lien, and proceeds derived from the sale thereof, when it has been sold for its fair market value, provided the proceeds are used for one or more of the following purposes:

(i) To pay necessary harvesting and marketing expenses not provided for in the loan, or which cannot otherwise be provided by the borrower from his own resources.

(ii) To make payments on the Special Livestock loan account.

(iii) To make payments to other creditors having liens on the property sold which are superior to the liens of the Farmers Home Administration, provided any amount remaining after payments are made to such other creditors is applied on the borrower's Special Livestock loan, or is released under the conditions and for one or more of the purposes specified in § 371.42 (b) (2).

(iv) To make payments on debts owed to creditors other than those mentioned in subdivision (iii) of this subparagraph, and to make capital purchases as agreed upon when the loan was made, provided:

(a) Creditors having liens superior to those of the Farmers Home Administration have been paid the amounts agreed with them to be paid for the year;

(b) The Farmers Home Administration has been paid the amounts agreed to be paid for the year.

The amounts shown by Table H of Form FHA-197A, "Report on Application for Loan," will serve as a guide in releasing income for these purposes; and if the amount available is not sufficient to make all the payments to other creditors as anticipated when the loan was made, priority will be given to the debts which must be paid to enable the borrower to continue in business and the remaining income will be prorated in an equitable manner between the other creditors.

(3) With or without income division agreements. In connection with sales of normal farm income security property either covered or not covered by an income division agreement, County Supervisors are authorized to release the property from the Government's lien, and proceeds derived from the sale thereof, when it has been sold for its fair market value, provided the proceeds are used for one or more of the following purposes:

(i) To pay necessary farm and home expenses in those instances in which a loan has not been made for the current year, provided:

(a) Such expenses have been included in a budget developed for the year and approved by the State Director (the authority to approve annual budgets for this purpose may be delegated to State Field Representatives or County Supervisors, in the discretion of the State Director);

(b) Other lienholders have agreed for releases to be made for this purpose; and

(c) If there is an income division agreement, the Government has received the amount it is entitled to thereunder.

(ii) To purchase or acquire through exchange property more suitable to the borrower's needs, subject to the following conditions:

(a) The new property must be made subject to a lien in favor of the Farmers Home Administration;

(b) The new property, together with the additional proceeds which may be applied on the Special Livestock loan, must have security value to the Farmers Home Administration at least equal to that of the lien formerly held by the Farmers Home Administration on the old property; and

(c) When a new security instrument is necessary, ordinarily it will be taken at the time of acquisition of the new property; however, in individual cases the County Supervisor may delay the taking of a new security instrument not to exceed one year, or until a new security instrument is necessary for other reasons, whichever is earlier, when adequate security will continue to exist, and the borrower's Special Livestock loan account is current during such period of delay.

(iii) To pay not normally recurring costs that are necessary for the preservation of the remaining security property.

§ 371.43 Termination of nondisturbance agreements. (a) County Supervisors, with the concurrence of the County Special Livestock Loan Committee or the State Director if a County Special Livestock Loan Committee has not been appointed, are authorized to approve the termination of nondisturbance agreements executed on Form FHA-916, "Agreement—Special Livestock Loans," in individual cases when it is determined that the borrower does not have reasonable prospects of working out of his financial difficulties.

(b) County Supervisors are authorized to approve the termination of nondisturbance agreements in cases in which borrowers have abandoned security property.

2. Subpart A of Part 384 in Title 6 of the Code of Federal Regulations (18 F. R. 4944, 19 F. R. 3987), is amended by adding to it § 384.10 as follows:

§ 384.10 Servicing Special Livestock Loans. Special Livestock loan accounts and security will be serviced in accordance with the applicable provisions of Farmers Home Administration regulations covering account and security servicing for other operating loans, except that Part 364 of this chapter does not apply to Special Livestock loans, and except that § 371.42 of this chapter applies instead of § 371.4 (b), and §§ 371.41 and 371.43 of this chapter expressly govern certain phases of Special Livestock loan security servicing.

(R. S. 161; 5 U. S. C. 22. Interprets or applies sec. 2 (c) as added by 67 Stat. 149; 12 U. S. C. 1148a-2 (c))

Issued this 25th day of June 1954.

[SEAL]

R. B. MCLEISH,
Administrator,
Farmers Home Administration.

[F. R. Doc. 54-5143; Filed, July 6, 1954;
8:48 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Regs., Serial No. SR-406]

PART 4b—AIRPLANE AIRWORTHINESS; TRANSPORT CATEGORIES

PART 40—AIR CARRIER OPERATING CERTIFICATION

PART 41—CERTIFICATION AND OPERATION RULES FOR SCHEDULED AIR CARRIER OPERATIONS OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES

PART 42—IRREGULAR AIR CARRIER AND OFF-ROUTE RULES

SPECIAL CIVIL AIR REGULATION; APPLICATION OF TRANSPORT CATEGORY PERFORMANCE REQUIREMENTS TO C-46 TYPE AIRCRAFT

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 30th day of June 1954.

Special Civil Air Regulation SR-391 permits operators of C-46 type aircraft used in the carriage of passengers to operate at a maximum certificated take-off weight of 44,300 pounds except for those airplanes having certain type propellers which are allowed an additional 1,000 pounds. These weights were established by the Board provisionally pending the determination by the Administrator of the weights at which the C-46 is capable of a rate of climb equivalent to $0.035V_s$ in the take-off configuration at sea level with the landing gear retracted and the propeller of the critical engine feathered. No determination has been made by the Administrator of a weight or weights other than those specified in SR-391. Special Civil Air Regulation SR-391 permits such operations only until July 1, 1954.

Part 42 of the Civil Air Regulations currently requires that airplanes certificated as a basic type after June 30, 1942, and prior to July 1, 1951, which are not certificated as transport category airplanes shall be so certificated prior to July 1, 1954. Although changes have been made from time to time in the date by which such a requirement is to become effective, there has existed in the Civil Air Regulations for several years a requirement for ultimate certification of the C-46 in the transport category in order to be used in passenger carrying operations after a date certain. During this period the Board has been called upon to reconsider this requirement. Interested persons have been afforded opportunity to present facts, views, and arguments with respect to whether a requirement for the certification of C-46 in the transport category should be permitted to come into effect for aircraft used in passenger operations and to submit alternative proposed regulations.

Two proposals relating to the regulatory status of the C-46 were circulated by the Board in Draft Release 54-15 and public comment thereon solicited. Since the date of this publication other proposals have been received by the Board. On the basis of these proposals, the comments received in response to Draft Release 54-15, and the voluminous record compiled by the Board as a consequence of several years of rule making activity relating to the C-46, the Board

has determined that the public interest requires final disposition of this matter without further delay.

There appears to be complete unanimity concerning the fact that the C-46 is economically capable of being modified, and should be so modified, to meet the transport category requirements in all major respects with the exception of performance. With respect to the performance limitations of the transport category, serious difference of opinion exists. Operators of C-46 aircraft generally believe that, without substantial amendment, the imposition of the transport category performance limitations would effectively ground the aircraft.

Although several reputable agencies have represented that the aircraft may be modified at reasonable cost to meet these performance limitations, other agencies maintain that the entire United States civil C-46 fleet could not be accommodated with available stocks of engines and parts necessary to such modification and that, even if such material were available, the cost of modification would be prohibitive. The Board is of the opinion that sufficient evidence exists to indicate that, following a decision by the Board with respect to the future disposition of the C-46 in civil air carrier operations, means for accommodating the entire civil C-46 fleet may be put at the disposal of operators in a relatively short time.

The C-46 does not enjoy the qualities possessed by the DC-3 which prompted the Board to exempt the latter aircraft indefinitely from the performance limitations of the transport category. The DC-3 possesses performance capabilities which enable it to exceed the limitations of the transport category by a considerable margin at maximum take-off weights commonly used. In fact, were the same deviations authorized for the DC-3 as are now embodied in Special Civil Air Regulation SR-391 with respect to the C-46, very substantial increases in operating weights could result if the DC-3 structure would permit. The Board is of the opinion, therefore, that we would be ill-advised to exempt the C-46 indefinitely from the performance requirements of the transport category except to the extent specified herein.

Since agreement exists among interested persons that the birdproof windshield requirement of Part 4b would prove an onerous and expensive problem of compliance in the C-46 and since many other aircraft used in air carrier passenger service are not compelled to comply with this requirement, the Board is of the opinion that it is unnecessary in the interest of safety to require the C-46 to comply with this rule.

In view of the foregoing, the Board has determined that the C-46, in order to be used in passenger service, should ultimately comply with all but certain few selected provisions of Part 4b, effective July 20, 1950, in the following sequence:

By October 1, 1955, the C-46 should be so modified as to comply with all the requirements of the transport category except the flight requirements of §§ 4b.100 through 4b.190. This would have the principal effect of requiring

improvement in the fire protection of the nacelle and engine cooling. Both the Foundation proposal and that of ACES-ATA provide for such modification. This is apparently true also of modifications developed by other agencies.

By April 1, 1956, the C-46 should be required to comply with the transport category performance limitations except that the use of auto-indication will be permitted in lieu of the requirement to meet the first and second segment climb requirements with the propeller of the inoperative engine windmilling.

On and after April 1, 1956, the C-46 should be required to meet the performance operating limitations applicable to transport category aircraft except that the use of a driftdown procedure will be permitted in lieu of literal compliance with the en route climb requirement when such a procedure is approved by the Administrator.

Pending the coming into force on April 1, 1956, of the transport category operating limitations with respect to the C-46, the Board intends that the C-46 may continue to be used in passenger service on the basis of the same provisions formerly contained in Special Civil Air Regulation SR-391. Accordingly, its provisions have been incorporated herein. Since this extension of the provisions of SR-391 is intended to permit sufficient time for aircraft modifications required for compliance with Part 4b, it is intended that these provisions be applicable until November 1, 1954, and may be made applicable beyond that date only to those operators of C-46 aircraft who have made a showing to the Administrator that genuine arrangements for such modifications have been initiated.

The Board has determined that any decision with respect to the disposition of the C-46 in air carrier operations must be made on an "across the board" basis applicable alike to both scheduled and irregular service. This conclusion is in accord with the Board's long standing policy of eliminating, wherever practicable and consistent with safety, differences between the various regulatory standards affecting air carrier operations. It is recognized that safety regulations frequently have a profound effect upon the economics of air carrier operations and any rule which indefinitely permits the operation of a particular aircraft type in irregular service and denies the use of such type in scheduled service must be regarded as discriminatory. The Board sees no merit in the view that a lower standard of safety may be tolerated in irregular air carrier operations. Any characteristics of the C-46 which would cause the Board to determine that its use in scheduled air carrier operations is undesirable from a safety aspect would be sufficient cause to seek regulatory means of eliminating such characteristics in any other comparable air carrier service.

Interested persons have been afforded an opportunity to participate in the making of this regulation and due consideration has been given to all relevant matter presented.

Accordingly, the Civil Aeronautics Board hereby promulgates a Special Civil

Air Regulation, effective July 1, 1954, to read as follows:

1. Notwithstanding the provisions of § 42.15 (b) of Part 42 of the Civil Air Regulations, C-46 airplanes may be used in passenger operations conducted under Part 42. Such airplanes shall be operated in accordance with § 42.15 (a) and the provisions of this special regulation.

2. Prior to November 1, 1954, C-46 type airplanes when used for the carriage of passengers for remuneration or hire shall not be operated at weights exceeding those which it is demonstrated to the Administrator will allow compliance with the performance requirements of Part 4b, except that in determining the maximum take-off weight such weight shall be limited only to a value at which the airplane has a rate of climb equal to $0.035V_s$,² in the take-off configuration at sea level with the landing gear retracted but with the propeller of the inoperative engine feathered rather than windmilling.

3. Provisionally, pending a determination by the Administrator of the weights at which C-46 aircraft will meet the standards prescribed by paragraph 2 of this regulation, the maximum take-off weight of such aircraft, when used in the manner herein referred to, shall not exceed 44,300 pounds; *Provided*, That in the case of such aircraft equipped with Hamilton Standard propellers with blades Model Number 6491A-9 or approved equivalent which have been clipped in accordance with specifications approved by the Administrator, such provisional maximum weight shall be increased by 1,000 pounds until such time as the Administrator shall have determined by suitable tests another value to correspond to the additional efficiency obtainable by the use of such propellers, and thereafter by such other value.

4. The Administrator of Civil Aeronautics shall authorize continued operation of C-46 aircraft in passenger service in accordance with paragraphs 2 and 3 above after November 1, 1954, but not later than April 1, 1956, if he finds that the applicant for such authorization has made and continues to make genuine efforts to arrange for and accomplish compliance with paragraph 5 below.

5. On and after October 1, 1955, all C-46 aircraft shall comply with the provisions of Part 4b as in effect on July 20, 1950, except as otherwise provided hereinafter:

a. Upon application by the air carrier filed prior to October 1, 1955, the Administrator may further authorize an air carrier to operate without full compliance with the requirements of paragraph 5 where the Administrator finds that the air carrier has made a diligent effort to meet these requirements by October 1, 1955, and that the air carrier has shown that it will comply with such requirements at the earliest possible time.

b. The provisions of §§ 4b.0 through 4b.19 of Part 4b, effective May 18, 1954, shall be complied with.

c. The provisions of §§ 4b.100 through 4b.190 need not be complied with.

d. Where literal compliance with the requirements of Subparts C, D, and E of Part 4b is extremely difficult to accom-

plish and would not contribute materially to the objective sought, and the Administrator finds that the experience with the C-46 type airplane justifies it, he is authorized to accept such measures of compliance as he finds will effectively accomplish the basic objective of such subparts.

e. The birdproof windshield requirements of § 4b.352 need not be complied with.

6. On and after April 1, 1956, all C-46 aircraft shall be recertificated in the transport category in accordance with paragraph 5 above, and shall comply with the provisions of §§ 4b.100 through 4b.190 with the following exception: In determining the one-engine-inoperative climb in accordance with § 4b.120 (a) and (b), the propeller of the inoperative engine may be assumed to be feathered if there is installed either an approved means for automatically indicating when the particular engine has failed or an approved means for automatically feathering the propeller of the inoperative engine.

7. On and after April 1, 1956, all C-46 aircraft shall be operated in accordance with the performance operating limitations applicable to transport category aircraft with the following exceptions: In complying with the en route limitation with one engine inoperative an air carrier may utilize a procedure whereby the airplane is operated at an altitude such that, in event of an engine failure, the airplane can clear obstacles within 10 miles on either side of the intended track by 1,000 feet, if the air carrier can demonstrate to the Administrator that such a procedure can be used without impairing the safety of operation. If such a procedure is utilized, the rate of climb for the appropriate weight and altitude shall be assumed to be, in feet per minute, $0.02V_s$,² less than that contained in the Airplane Flight Manual. Before approving such a procedure, the Administrator shall take into account, for the particular route, route segment, or areas concerned, the reliability of meteorological forecasting, the location and types of aids to navigation, the prevailing weather conditions, particularly the frequency and amount of turbulence normally encountered, terrain features, air traffic control problems, and all other operational factors which affect the safety of an operation utilizing such a procedure.

8. C-46 aircraft which comply with the provisions of paragraphs 5 and 6 above may be used in passenger operations conducted under the provisions of Parts 40 and 41 provided they are operated in accordance with paragraph 7.

9. This Special Civil Air Regulation supersedes Special Civil Air Regulations SR-379 and SR-391.

(Sec. 205, 52 Stat. 934, as amended; 49 U. S. C. 425. Interprets or applies secs. 601, 603, 604, 52 Stat. 1007, as amended, 1009, as amended, 1010, as amended; 49 U. S. C. 551, 553, 554)

By the Civil Aeronautics Board.

[SEAL]

M. C. MULLIGAN,
Secretary.

[F. R. Doc. 54-5146; Filed, July 6, 1954; 8:49 a. m.]

[Civil Air Regs., Amdt. 42-24]

PART 42—IRREGULAR AIR CARRIER AND OFF-ROUTE RULES

ELIMINATION OF REQUIREMENT THAT CERTAIN NONTRANSPORT CATEGORY AIRPLANES USED IN PASSENGER OPERATION BE CERTI- FICATED IN TRANSPORT CATEGORY

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 30th day of June 1954.

Section 42.15 of Part 42 of the Civil Air Regulations requires that large airplanes certificated as a basic type after June 30, 1942, and used in passenger operations, be certificated as transport category airplanes. Airplanes certificated as a basic type after June 30, 1942, and prior to July 1, 1951, which are not transport category airplanes are required to be so certificated prior to July 1, 1954. The C-46 is the only aircraft type utilized in irregular carrier service which was certificated as a basic type between June 30, 1942, and July 1, 1951. Under this provision of Part 42 the C-46 would be required to be certificated in the transport category prior to July 1, 1954, in order to continue to be used in passenger service.

In establishing the date of July 1, 1954, as the date by which certification of the C-46 in the transport category was required, it was intended that full opportunity be provided for interested persons to submit proposed alternative requirements for consideration by the Board. Two such proposals were circulated by the Board in Civil Air Regulations Draft Release No. 54-15 and comment thereon solicited. Other proposals have since been received by the Board. On the basis of comments received with respect to Draft Release 54-15, other proposals also received by the Board, and the voluminous record compiled by the Board during the several years of rule-making with respect to the C-46, the Board has determined that final disposition of this matter should be made without further delay.

In disposing of this matter the Board has found it necessary to adopt Special Civil Air Regulation SR-406 which contains requirements for the modification of the C-46 to enable it to comply substantially with the transport category requirements and which extends the provisions of SR-391 until April 1, 1956, to enable carriers to complete these modifications. Since SR-406 permits the continued operation of C-46 aircraft under certain conditions until April 1, 1956, no provision need be made in this part for their continued operation.

Interested persons have been afforded an opportunity to participate in the making of this amendment, and due consideration has been given to all relevant matter presented. Since this amendment imposes no additional burden on any person it may be made effective on less than thirty days' notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends Part 42 of the Civil Air Regulations (14 CFR Part 42, as amended) effective July 1, 1954:

By deleting the proviso clause in § 42.15 (b).

(Sec. 205; 52 Stat. 984; 49 U. S. C. 425. Interprets or applies secs. 601, 604, 52 Stat. 1007, 1010, as amended; 49 U. S. C. 551 and 554)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 54-5145; Filed, July 6, 1954;
8:49 a. m.]

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

[Docket No. FDC-24 (a)]

PART 125—LABEL STATEMENTS CONCERNING DIETARY PROPERTIES OF FOOD PURPORTING TO BE OR REPRESENTED FOR SPECIAL DIETARY USES

CERTAIN FOODS USED AS MEANS OF REGULATING INTAKE OF SODIUM IN DIETARY MANAGEMENT

Correction

In Federal Register Document 54-4993, appearing at page 3999 of the issue for Thursday, July 1, 1954, the word "ingredient" in the sixth line of paragraph 3 of the Findings of Fact should read "ingredients".

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 3—VETERANS CLAIMS

PART 4—DEPENDENTS AND BENEFICIARIES CLAIMS

MISCELLANEOUS AMENDMENTS

1. In Part 3, paragraph (a) of § 3.131 is amended to read as follows:

§ 3.131 *Principles for determining entitlement to the statutory award for the anatomical loss or loss of use of a creative organ.* * * *

(a) The loss or loss of use of a creative organ must first be established. Loss of a creative organ will be shown by acquired absence of one or both testicles (other than undescended testicles) or ovaries, or other creative organ. Loss of use of one testicle will be taken as established when examination by a board establishes that:

(1) The diameters of the affected testicle are reduced to one-third of the corresponding diameters of the paired normal testicle; or

(2) The diameters of the affected testicle are reduced to one-half or less of the corresponding normal testicle and there is alteration of consistency so that the affected testicle is considerably harder or softer than the corresponding normal testicle; or

(3) If neither of the conditions in subparagraph (1) or (2) of this paragraph are met, when a biopsy, recommended by a board including a genitourinologist and accepted by the veteran, establishes the absence of spermatozoa.

2. In § 3.148, paragraph (a) is amended to read as follows:

§ 3.148 *Effective dates of evaluations, 1945 Schedule, in original ratings.* (a) The Schedule for Rating Disabilities, 1945 edition, is the only schedule applicable for the evaluation of disability on or after April 1, 1946, except when a statutory award or rating under the World War Veterans' Act, 1924, as amended, as restored by Public Law No. 141, 73d Congress, as amended, is in order, in which event the statutory award or rating will be continued or made in the manner provided for initial ratings. In initial ratings the effective dates of evaluations under the 1945 Schedule will be:

(1) The date following the date of discharge from active service or the date evidence shows entitlement, whichever is later, if the claim is filed within 1 year from date of discharge, for periods both prior and subsequent to April 1, 1946: *Provided*, That in claims under Part III, Veterans Regulation 1 (a), as amended, (38 U. S. C. ch. 12), evaluation will be from the date the evidence shows permanent total disability, whether prior or subsequent to the date of receipt of claim. (For effective date of award, see § 3.213.)

(2) The date of receipt of claim or the date evidence shows entitlement, whichever is later, if the claim was not filed within 1 year from date of discharge. Initial rating is defined as the first rating made in a case in which determination as to entitlement to disability compensation or pension for any disability under Public No. 2, 73d Congress, and the regulations issued pursuant thereto, as amended, has not heretofore been made. This definition includes those service-connected cases initially rated on or after April 1, 1946, either compensable or noncompensable, in which the 1945 Schedule was not applied.

3. In § 3.167, paragraph (c) is amended to read as follows:

§ 3.167 *Permanent total disability ratings generally.* * * *

(c) In claims under Part III, Veterans Regulation 1 (a), as amended (38 U. S. C. ch. 12), the permanence of total disability and effective dates for authorizing benefits will be established as of the earliest date consistent with the evidence in the case. Active pulmonary tuberculosis, not otherwise established as permanently and totally disabling, is by a provision of the 1945 Schedule presumed to be permanent and total disability after 6 months hospitalization without improvement. The same principle may be applied with other types of disabilities requiring hospitalization for indefinite periods, and the need for hospitalization over a longer period than 6 months may be a proper basis for determining permanence. Where, in hospitalized cases, it is necessary to employ a waiting period to determine permanence of totality of disability and an examination report received at the end of such period shows the veteran's condition is unimproved, the effective date

of the rating and award should be the first day following the expiration of the waiting period. Where a further waiting period is required and at the end of this period the veteran is still hospitalized, permanency of disability will be conceded and the rating and award will be effective the day after expiration of the second waiting period. In other cases the effective date will be the date the evidence establishes permanence.

4. In Part 4, a new paragraph (h) is added to § 4.77 as follows:

§ 4.77 *Death pension or compensation payable solely by virtue of certain amendatory laws.* * * *

(h) *Public Law 241, 83d Congress.* The date of commencement of original awards of death pension or compensation payable solely as a result of the provisions of Public Law 241, 83d Congress, shall be the day following the date of the veteran's death, if claim was filed within 1 year after the date of death, otherwise the date of filing claim, but in no event prior to August 8, 1953: *Provided, however*, That as to claims reviewed under this law, the commencing date shall be August 8, 1953, without the filing of a new claim. A claim pending on August 8, 1953, shall be considered a claim under this act.

(Sec. 14, 16, 57 Stat. 558, 559, as amended, sec. 301, 58 Stat. 286, as amended, sec. 207, 60 Stat. 837, as amended, sec. 4, 63 Stat. 202, 63 Stat. 484, par. I, Part I, Vet. Reg. 1 (a), as amended, par. VIII, Vet. Reg. 10, as amended, 67 Stat. 506; 5 U. S. C. 191a, 10 U. S. C. 456-1, 32 U. S. C. 160b, 34 U. S. C. 855c-3, 38 U. S. C. 603h, 731, 731 note, 744, ch. 12 note)

5. Section 4.79 is revised to read as follows:

§ 4.79 *Additional allowance for posthumous child.* In those cases in which death compensation or pension is payable from the day following the date of the veteran's death the additional allowance for a posthumous child will be effective from the date of the child's birth, provided notice of the expected or actual birth of the child, meeting the requirements of an informal claim, is received within 1 year from the date of the veteran's death and proof of birth is received within 1 year from the date of request.

6. In § 4.98, paragraph (c) (6) is amended to read as follows:

§ 4.98 *Payment of pension or compensation based on school attendance.* * * *

(c) *Holiday or vacation periods.* * * *

(6) *Ending dates of school awards.* If parts I and II of VA Form 8-674 show the year, month, and day on which it is expected the course will be terminated, the ending date of the school award will be the earliest date shown. If part I of the form shows only the month and year and part II shows a definite date in the same or an earlier month, the definite date will be accepted. If part II of the form shows only the month and year and part I shows a definite date in an earlier month, the definite date will be accepted. In all other instances, the

earliest month shown on the form will be accepted, and the ending date of the school award will be the last day of the preceding month.

7. In the Provisional Regulations of Part 4, § 4.458 is revoked.

§ 4.458 *Review of death compensation and pension claims to determine presumptive service-connection for active tuberculosis other than pulmonary type.* (Instruction 2, Public Law 241, 83d Congress.) (Revoked.)

(Sec. 5, 43 Stat. 608, as amended, sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9; 38 U. S. C. 11a, 426, 707)

This regulation is effective July 7, 1954.

[SEAL] J. C. PALMER,
Acting Deputy Administrator.

[F. R. Doc. 54-5124; Filed, July 6, 1954;
8:45 a. m.]

PART 6—UNITED STATES GOVERNMENT LIFE INSURANCE

PART 8—NATIONAL SERVICE LIFE INSURANCE

REFUND OF PREMIUMS IN FRAUD CASES

1. In Part 6, a new § 6.46 is added as follows:

§ 6.46 *Refund of premiums in fraud cases.* Where United States Government life insurance is canceled or voided for fraud and notice thereof is mailed after March 16, 1954 (Public Law 308, 83d Congress), any premiums paid on such insurance for any period subsequent to 2 years after the date insurance was issued, reinstated, or converted because of such fraud shall be refunded without interest. On antedated policies the date of issue or conversion for the purpose of this section is the due date of the first full premium. The amount of any dividends, loan, or other insurance payment made as a result of the fraudulent issue, reinstatement, or conversion shall be deducted from such refund. The refund shall be made to the insured if living, otherwise to the designated beneficiary; or, if no designated beneficiary survives, to the insured's estate.

(68 Stat. 28)

(Sec. 5, 43 Stat. 608, as amended, sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9, sec. 6, 65 Stat. 35; 38 U. S. C. 11a, 426, 707, 855. Interpret or apply secs. 300, 301, 43 Stat. 624, as amended; 38 U. S. C. 511, 512)

2. In Part 8, a new § 8.63 is added as follows:

§ 8.63 *Refund of premiums in fraud cases.* Where National Service life insurance is canceled or voided for fraud and notice thereof is mailed after March 16, 1954 (Public Law 308, 83d Congress), any premiums paid on such insurance for any period subsequent to 2 years after the date insurance was issued, reinstated, or converted because of such fraud shall be refunded without inter-

est. On antedated policies the date of issue or conversion for the purpose of this section is the due date of the first full premium. The amount of any dividends, loan, or other insurance payment made as a result of the fraudulent issue, reinstatement, or conversion shall be deducted from such refund. The refund shall be made to the insured, if living, otherwise to the designated beneficiary; or, if no designated beneficiary survives, to the insured's estate.

(68 Stat. 29)

(Sec. 608, 54 Stat. 1012, as amended, sec. 6, 65 Stat. 35; 38 U. S. C. 808, 855. Interpret or apply sec. 602, 54 Stat. 1009, as amended; 38 U. S. C. 802)

This regulation is effective July 7, 1954.

[SEAL] J. C. PALMER,
Acting Deputy Administrator.

[F. R. Doc. 54-5125; Filed, July 6, 1954;
8:45 a. m.]

PART 21—VOCATIONAL REHABILITATION AND EDUCATION

SUBPART E—VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

SELECTION OF PROGRAM; MEASUREMENT OF FULL- OR PART-TIME COURSES

1. In paragraph (d) of § 21.2030, subparagraphs (5) (iii) and (6) (iii) are added and subparagraph (6) (i) (b) is amended to read as follows:

§ 21.2030 *Selection of program.* * * *

(d) * * *

(5) * * *

(iii) The professional objective of a veteran who is to pursue an internship in dentistry in partial fulfillment of the requirements of a Dental Specialty Board will be that named dental specialty for which the internship is required. A dental internship may not exceed 1 year and may be recognized only when it is an integral part of an approved course, the completion of which will satisfy the educational requirements for certification by a Dental Specialty Board.

(6) * * *

(i) * * *

(b) Where the residency course leads to certification by a hospital approved by the Council on Medical Education and Hospitals of the American Medical Association (a certificate issued upon completion) in the specialty of contagious diseases, malignant diseases, and occupational medicine, the professional objective will be that named specialty for which the hospital has been approved by the council.

(iii) *Dental.* (a) The professional objective of a veteran who is to pursue a residency course in a dental specialty which leads to and is acceptable for certification by a specialty board recognized by the Council on Dental Education of the American Dental Association

will be that named specialty for which the board has established definite standards.

2. In paragraph (k) of § 21.2066, a new subparagraph (3) is added and former subparagraph (3) revised and renumbered (4); in paragraph (l), a new subparagraph (3) is added, former subparagraph (3) renumbered (4), and former subparagraph (4) revised and renumbered (5), so that the amended and renumbered material reads as follows:

§ 21.2066 *Measurement of full- or part-time courses* * * *

(k) *Internship courses.* * * *

(3) Dental internship courses will be considered full-time institutional courses when they have been accredited and approved by the Council on Dental Education of the American Dental Association as an integral part of an approved course leading to certification by a Dental Specialty Board recognized by the American Dental Association.

(4) No other medical, dental or osteopathic internship courses will be recognized for the payment of education and training allowances, since the completion of any other internship courses is not recognized by the profession as qualifying a person for the practice of the profession.

(l) *Residency courses.* * * *

(3) Dental residency courses will be considered full-time institutional courses when (i) such courses have been accredited and approved by the Council on Dental Education of the American Dental Association as standard residencies; and (ii) such courses lead to a certification by a Dental Specialty Board; and (iii) the length of the course is not in excess of the number of months prescribed for the residency training by the appropriate specialty board or the Council on Dental Education of the American Dental Association.

(4) No course of residency training will be approved to include a period of practice, following completion of a required residency, even though such practice is required or accepted by a Specialty board to fulfill board requirements. Further, where an eligible veteran after completing an internship prerequisite to residency training has pursued any additional training, whether through internship, fellowship, or other graduate or postgraduate study that is creditable toward residency requirements, the residency course must be proportionately shortened.

(5) Education and training allowance will not be paid to a veteran enrolled in any other medical, dental, or osteopathic residency course.

(Sec. 261, 66 Stat. 663)

This regulation is effective July 7, 1954.

[SEAL] J. C. PALMER,
Acting Deputy Administrator.

[F. R. Doc. 54-5123; Filed, July 6, 1954;
8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 408]

[Regs 128]

EMPLOYEE AND EMPLOYER TAXES UNDER FEDERAL INSURANCE CONTRIBUTIONS ACT SERVICES PERFORMED BY CERTAIN AGRICUL- TURAL WORKERS FROM MEXICO

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 1429 of the Internal Revenue Code (53 Stat. 178; 26 U. S. C. 1429) and section 505 (b) of the Agricultural Act of 1949, as added by Public Law 78, 82d Congress, approved July 12, 1951.

[SEAL]

O. GORDON DELK,
Acting Commissioner
of Internal Revenue.

In order to conform Regulations 128 (26 CFR, Part 408), relating to the employee tax and the employer tax under the Federal Insurance Contributions Act (subchapter A, chapter 9, Internal Revenue Code), to certain provisions of title V of the Agricultural Act of 1949, as added by Public Law 78, 82d Congress, approved July 12, 1951, and as amended by Public Law 237, 83d Congress, approved August 8, 1953, such regulations are amended as follows:

PARAGRAPH 1. Immediately preceding the caption "Section 3797 (a) and (b) of the Internal Revenue Code" as set forth preceding § 408.201, the following is inserted:

SECTION 505 (B) OF THE AGRICULTURAL ACT OF 1949, AS ADDED BY PUBLIC LAW 78, 82D CONGRESS, APPROVED JULY 12, 1951

Section 1426 (b) (1) of the Internal Revenue Code, as amended, is amended by adding at the end thereof a new subparagraph as follows:

(C) Service performed by foreign agricultural workers under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended.

PAR. 2 Section 408.203 (a), relating to employment after December 31, 1950, is amended as follows:

(A) By revising the first two sentences thereof to read as follows: "Whether services performed on or after January 1, 1951, constitute employment is determined under section 1426 (b) of the act, that is, section 1426 (b), as amended,

effective January 1, 1951, by section 204 (a) of the Social Security Act Amendments of 1950, and as further amended, effective July 12, 1951, by section 505 (b) of the Agricultural Act of 1949, as added by Public Law 78, 82d Congress, relating to services performed by certain agricultural workers from the Republic of Mexico. This section and §§ 408.204 and 408.205 (relating to who are employees and employers), § 408.206 (relating to excepted services in general), § 408.207 (relating to included and excluded services), and § 408.208 and §§ 408.209 to 408.225, inclusive (relating to certain classes of excepted services), apply with respect only to services performed on or after January 1, 1951."

(B) By inserting immediately after the second sentence thereof the following: "Section 408.208a, relating to excepted services performed by certain agricultural workers from the Republic of Mexico, applies with respect only to services performed on or after July 12, 1951."

PAR. 3. Section 408.206, relating to excepted services in general, is amended as follows:

(A) By revising the first sentence of paragraph (a) thereof to read as follows: "Services performed on or after January 1, 1951, by an employee for an employer do not constitute employment for purposes of the tax if they are specifically excepted from employment under any of the numbered paragraphs of section 1426 (b) of the act, that is, section 1426 (b), as amended, effective January 1, 1951, by section 204 (a) of the Social Security Act Amendments of 1950, and as further amended, effective July 12, 1951, by section 505 (b) of the Agricultural Act of 1949, as added by Public Law 78, 82d Congress, relating to services performed by certain agricultural workers from the Republic of Mexico."

(B) By deleting the first sentence of paragraph (c) and inserting in lieu thereof the following: "This section, § 408.207 (relating to included and excluded services), and § 408.208 and §§ 408.209 to 408.225, inclusive (relating to certain classes of excepted services), apply with respect only to services performed on or after January 1, 1951. Section 408.208a, relating to excepted services performed by certain agricultural workers from the Republic of Mexico, applies with respect only to services performed on or after July 12, 1951."

PAR. 4. The caption "Section 1426 (b) (1) of the Act" as set forth immediately following § 408.207 is changed to read "Section 1426 (b) (1) (A) and (B) of the Act".

PAR. 5. Section 408.208 (a), relating to agricultural labor, is amended by adding at the end thereof the following: "For provisions relating to services which are excepted from employment by section 1426 (b) (1) (C) of the act, relating to services performed by foreign agricultural workers under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended, see § 408.208a."

PAR. 6. There is inserted immediately after § 408.208 the following:

SECTION 1426 (b) (1) (C) OF THE ACT

The term "employment" means * * * and service, of whatever nature, * * * except that * * * such term shall not include—

(C) Service performed by foreign agricultural workers under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended. (Sec. 1426 (b) (1) (C), I. R. C., as added, effective July 12, 1951, by sec. 505 (b) of the Agricultural Act of 1949.)

TITLE V OF THE AGRICULTURAL ACT OF 1949, AS ADDED BY PUBLIC LAW 78, 82D CONGRESS, APPROVED JULY 12, 1951

SEC. 501. For the purpose of assisting in such production of agricultural commodities and products as the Secretary of Agriculture deems necessary, by supplying agricultural workers from the Republic of Mexico (pursuant to arrangements between the United States and the Republic of Mexico), the Secretary of Labor is authorized—

(1) To recruit such workers (including any such workers who have resided in the United States for the preceding five years, or who are temporarily in the United States under legal entry);

(5) To assist such workers and employers in negotiating contracts for agricultural employment (such workers being free to accept or decline agricultural employment with any eligible employer and to choose the type of agricultural employment they desire, and eligible employers being free to offer agricultural employment to any workers of their choice not under contract to other employers);

SEC. 507. For the purposes of this title—

(1) The term "agricultural employment" includes services or activities included within the provisions of section 3 (f) of the Fair Labor Standards Act of 1938, as amended, or section 1426 (h) of the Internal Revenue Code, as amended, horticultural employment, cotton ginning, compressing and storing, crushing of oil seeds, and the packing, canning, freezing, drying, or other processing of perishable or seasonable agricultural products.

SEC. 509. No workers will be made available under this title for employment after December 31, 1953. (65 Stat. 119, 7 U. S. C. 1461.)

PUBLIC LAW 237, 83D CONGRESS, APPROVED AUGUST 8, 1953

* * * section 509 of title V of the Agricultural Act of 1949, as amended, is amended by striking out "December 31, 1953" and inserting in lieu thereof "December 31, 1955". (67 Stat. 500.)

SECTION 3 (F) OF THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED

"Agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, in-

cluding preparation for market, delivery to storage or to market or to carriers for transportation to market. (Sec. 3 (f), Act of June 25, 1938, 52 Stat. 1060, 29 U. S. C. 203 (f).)

§ 408.208a *Service performed by certain agricultural workers from the Republic of Mexico.* Services performed on or after July 12, 1951, by agricultural workers from the Republic of Mexico, under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended, are excepted from employment. Contracts entered into pursuant to the provisions of such title V may provide for the performance only of services which constitute "agricultural employment". For purposes of title V of the Agricultural Act of 1949, as amended, the term "agricultural employment" includes services or activities included within the provisions of section 3 (f) of the Fair Labor Standards Act of 1938, as amended, or section 1426 (h) of the Federal Insurance Contributions Act (see § 408.208 (d)), horticultural employment, cotton ginning, compressing and storing, crushing of oil seeds, and the packing, canning, freezing, drying, or other processing of perishable or seasonable agricultural products. Thus, the term "agricultural employment" includes certain services which do not constitute "agricultural labor" as that term is defined in section 1426 (h) of the act. Inasmuch as services performed by agricultural workers from the Republic of Mexico under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended, are categorically excepted from employment under section 1426 (b) (1) (C) of the act, the conditions prescribed in section 1426 (b) (1) (A) of the act for determining whether agricultural labor performed by an employee for an employer in a calendar quarter is excepted from employment have no application to any services which constitute agricultural labor and which are excepted from employment under this section. For provisions relating to agricultural labor which is excepted from employment under section 1426 (b) (1) (A) and (B) of the act, see § 408.208.

[F. R. Doc. 54-5128; Filed, July 6, 1954; 8:46 a. m.]

DEPARTMENT OF COMMERCE

Civil Aeronautics Administration

[14 CFR Part 41]

OPERATIONS SPECIFICATIONS, AIRCRAFT MAINTENANCE AND AIRCRAFT WEIGHT AND BALANCE CONTROL

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Administrator contemplates the adoption of the following rules respecting Operations Specifications, Aircraft Maintenance and Aircraft Weight and Balance Control under Part 41. These rules propose new §§ 41.1-5 and 41.1-6 prescribing the form of application for issuance of initial and revised Operations Specifications, Aircraft Maintenance and Aircraft Weight and Balance Control under § 41.1 (10

No. 130—2

F. R. 8528, as amended by 12 F. R. 4932 and 13 F. R. 6554).

All interested persons who desire to submit comments and suggestions for consideration in connection with these proposed rules shall send them to the Director, Office of Aviation Safety, Civil Aeronautics Administration, Washington 25, D. C., within 30 days after publication of this notice in the FEDERAL REGISTER.

§ 41.1-5 *Form of application for issuance of initial or revised Operations Specifications, Aircraft Maintenance (CAA rules which apply to § 41.1).* (a) Applications by the air carrier for new or amended Operations Specifications, Aircraft Maintenance, shall be made on Operations Specifications Form ACA-1014 or equivalent.

(b) Those pages of the Operations Specifications, Aircraft Maintenance, which contain the list of aircraft components, inspections, checks and overhauls, and time limitations therefor, shall be prepared by the air carrier on a Form ACA-1014 or equivalent. Such pages shall be prepared to permit insertion in a suitable loose-leaf binder. Each page shall be consecutively numbered and identified as an Operations Specification, Aircraft Maintenance.

(c) The air carrier shall list the aircraft components and the overhauls, inspections, checks, and time limitations therefor either on separate pages in the Operations Specifications, Aircraft Maintenance, or together on the same pages. If listed separately, the overhauls, inspections, and checks shall be appropriately and thoroughly identified, by number and/or nomenclature, to include any applicable abbreviations. The list of individual aircraft components shall show proper reference to the overhauls, inspections or checks by means of the applicable number, nomenclature or abbreviation thereof. When so listed, it shall

mean that such components are overhauled, inspected or checked at the times identified in the Operations Specifications.

(d) Four copies of the application¹ and attachments shall be submitted to the assigned agents, the first copy of the application bearing the signature of a duly authorized representative of the air carrier. Approval or disapproval shall be indicated on the first and second copies of the application and attachments which will be returned to the air carrier. The air carrier shall, in turn, indicate receipt in the space provided on the second copy and return it to the assigned agent.

§ 41.1-6 *Form of application for issuance of initial or revised Operations Specifications, Aircraft Weight and Balance Control (CAA rules which apply to § 41.1).* (a) Applications by the air carrier for new or amended Operations Specifications, Aircraft Weight and Balance Control,² shall be made on Operations Specifications Form ACA-1014 or equivalent.

(b) Four copies of the application shall be submitted, the first copy of the application bearing the signature of a duly authorized representative of the air carrier. Approval or disapproval of the carrier's application shall be indicated on the first and second copies of the application which will be returned to the air carrier. The air carrier shall, in turn, indicate receipt in space provided on the second copy and return it to the assigned agent.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply secs. 601, 604, 608, 52 Stat. 1007, 1010, 1011, as amended; 49 U. S. C. 551, 554, 558)

[SEAL]

F. B. LEE,

Administrator of Civil Aeronautics.

[F. R. Doc. 54-5130; Filed, July 6, 1954; 8:46 a. m.]

NOTICES

DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service

DIRECTOR OF THE FOREIGN TRADE PROGRAMS DIVISION

DELEGATION OF AUTHORITY TO APPROVE ENTRY OF SEED OATS, SEED WHEAT, AND SEED RYE, AND WHEAT AND FLOUR FOR EXPERIMENTAL PURPOSES

Pursuant to the authority vested in me by the Secretary of Agriculture (19 F. R. 76) there is hereby delegated to the Director of the Foreign Trade Programs Division, Foreign Agricultural Service, the authority vested in the Secretary of Agriculture by Proclamations numbered 2550 (7 F. R. 2825), 3041 (18 F. R. 8883), and 3048 (19 F. R. 1807) to issue, as designated representative of the Secretary, in accordance with the provisions of said proclamations, written approval for the entry of certified or registered

seed oats, seed wheat, or seed rye, for use for seeding and crop-improvement purposes, in bags tagged and sealed by an officially recognized seed-certifying agency of the country of production, in individual shipments amounting to more than 100 bushels; and wheat and wheat flour in lots of more than 10 pounds, for use by research or scientific organizations or by milling or baking laboratories

¹Application for initial time limitations applicable to new aircraft, engines, propellers or appliances, not previously used in air carrier service may require Washington concurrence prior to final issuance by the CAA regional office and therefor, should be submitted as soon as possible, but not later than 15 days prior to the date that the aircraft or component is to be placed into service.

²The Operations Specifications, Aircraft Weight and Balance Control may combine weight control procedures common to more than one aircraft or they may separate weight and balance procedures specifically adapted to a particular aircraft type and model.

for testing, experimental, research or other scientific purposes.

This delegation of authority shall be effective July 1, 1954.

Done at Washington, D. C., this 30th day of June 1954.

[SEAL] CLAYTON E. WHIPPLE,
Acting Administrator,
Foreign Agricultural Service.

[F. R. Doc. 54-5139; Filed, July 6, 1954;
8:48 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

[Regional Director's Order 2]

PROJECTS ENGINEER, YUMA PROJECTS OFFICE AND ACTING CONSTRUCTION ENGINEER-IN-CHARGE, COACHELLA

DELEGATION OF AUTHORITY REGARDING
EXCHANGE OF FARM UNITS

MAY 20, 1954.

SECTION 1. *Delegation of authority.* The Projects Engineer, Yuma Projects Office and the Acting Construction Engineer-in-Charge, Coachella, may, subject to the requirements of the act of August 13, 1953 (67 Stat. 566), and regulations issued thereunder, approve the exchange of unpatented farm units and farm units of resident owners of private land on Federal irrigation projects and perform all other acts necessary to reflect their exchange.

SEC. 2. *Authority.* This order is issued pursuant to Commissioner's Order No. 31, dated April 7, 1954.

E. G. NIELSEN,
Regional Director.

[F. R. Doc. 54-5134; Filed, July 6, 1954;
8:47 a. m.]

SALT RIVER PROJECT, ARIZONA CHANGE IN FORM OF WITHDRAWAL

JUNE 3, 1954.

Pursuant to the authority delegated by Departmental Order No. 2515 of April 7, 1949, I hereby change the form of withdrawal affecting the following described lands now withdrawn in the second form by Departmental orders of July 2 and August 26, 1902, to the first form as provided by section 3 of the act of June 17, 1902 (32 Stat. 388).

GILA AND SALT RIVER MERIDIAN, ARIZONA
T. 1 N., R. 5 E.,
Sec. 3, Lot 2.

The above area aggregates 41.43 acres.

W. A. DEXHEIMER,
Commissioner.

[Misc. 67223]

JUNE 30, 1954.

I concur. The records of the Bureau of Land Management will be noted accordingly.

W. G. GUERNSEY,
Acting Director,
Bureau of Land Management.

[F. R. Doc. 54-5133; Filed, July 6, 1954;
8:46 a. m.]

DEPARTMENT OF COMMERCE

Bureau of Foreign Commerce

[Case No. 184]

ARTURO FLORES ET AL.

ORDER DENYING EXPORT PRIVILEGES

In the matter of: Arturo Flores, 427 Washington St., Eagle Pass, Texas; and, Arturo Flores, Matias Mendoza Perea, copartners doing business under the firm name of Arturo Flores & Cia., Edificio Salart, Despacho No. 2-4, Piedras Negras, Coahuila, Mexico; respondents; Case No. 184.

The respondents, Arturo Flores and Arturo Flores & Cia., a copartnership, having been charged by the Director of the Investigation Staff, Bureau of Foreign Commerce, Department of Commerce, with having violated the Export Control Act of 1949, as amended, and regulations promulgated thereunder, together with Matias Mendoza Perea, a copartner in the firm of Arturo Flores & Cia., duly appeared in this proceeding by their attorney and, after admitting the charges except that wherein knowledge was alleged they had reason to believe or should have known such matters, submitted a proposal that a consent order be entered against them as hereinafter set forth; and said proposal having been presented to the Compliance Commissioner as provided in § 382.10 of the export control regulations; and the Director of the Investigation Staff having agreed to the same; the Compliance Commissioner duly considered evidence in support of the charges and reported the facts as found by him to the undersigned with his recommendation that the proposal be accepted. The Compliance Commissioner, in his report, has amended the charging letter to include Matias Mendoza Perea as a party, in accordance with the consent proposal.

Now, after reading the recommendation of the Compliance Commissioner, the consent proposal, the qualified admissions by respondents of the facts as alleged in the charging letter, and, after consideration of the evidence submitted, I hereby make the following:

Findings of fact. 1. That at all times hereinafter mentioned Arturo Flores was engaged in the freight forwarding business in Eagle Pass, Texas, and he and Matias Mendoza Perea, doing business as copartners under the firm name of Arturo Flores & Cia., were engaged in the forwarding business in Piedras Negras, Coahuila, Mexico. Mendoza Perea also being a Customs Broker there.

2. That on or about and between the 13th day of May 1952 and the 7th day of June, 1952, Flores, while acting as a forwarder for Commercial Metals Company, an exporter in Dallas, Texas, upon its instructions, prepared and signed seventeen shipper's export declarations in connection with as many shipments of rails from Eagle Pass, Texas, to Mexico in which he certified that a railway company in Mexico was the ultimate consignee or purchaser thereof and that the rails were to be used for relaying purposes in Mexico.

3. That when each of these shipments arrived in Piedras Negras during the times when Flores prepared and executed such shipper's export declarations, his copartner, Matias Mendoza Perea, in Piedras Negras, Coahuila, Mexico, became informed that the true ultimate consignee or purchaser of such rails was not the railway company in Mexico whose name had been set forth by Flores in the export declarations but was in fact a rolling mill and he at the same time became informed that the said rails were to be used for rerolling and not for relaying. In the performance of his functions as Mexican Customs Broker, Mendoza Perea thereupon filed the necessary documents to procure their release from the Mexican Customs and forwarded the rails to a warehouse in Mexico for the rolling mill which was the true consignee or purchaser.

4. That at the time when Flores prepared and executed the shipper's export declarations certifying as to the consignee or purchaser and the use of the rails being exported thereunder, because of the information and documents then available to him and in the possession of his firm in Piedras Negras, he had reason to believe or should have known that the true consignee or purchaser was not the firm therein certified by him and that the true use was for rerolling and not relaying as certified by him.

5. That at the times when Matias Mendoza Perea arranged for the release from Mexican Customs of the said rails as rails to be rerolled and thereafter forwarded said rails to a warehouse for the account of the rolling mill in Mexico, he had reason to believe or should have known, as did his copartner Flores, that the export license and the shipper's export declarations under which the said rails had been exported from the United States provided that they were to be shipped to a railway for relaying purposes.

From all of which I have concluded:

A. That Flores represented and certified on shipper's export declarations as the name of the ultimate consignee or purchaser and the intended use of said rails a name and use not in accord with the facts, and that he used export control documents to facilitate and effectuate exportations from the United States in a manner not in accord with the provisions thereof, in violation of §§ 381.1 (b) and 381.3 (a) of the export control regulations then in effect;

B. That Flores and Mendoza Perea effectuated a change of the ultimate consignee or purchaser named in export control documents, in violation of § 381.3 (b) (2) of the export control regulations then in effect; and

C. That the participation of Flores and Mendoza Perea in the aforesaid violations constituted a proscribed activity within the meaning of § 384.2 (a) of the export control regulations then in effect.

The Compliance Commissioner has approved the proposal made by the respondents upon his conclusion that it is a fair disposition of the charges. After consideration of the evidence, the recommendation of the Compliance Commissioner, and the consent proposal made by the respondents, it is my conclusion

that the action hereinafter provided is fair, just and necessary to achieve effective enforcement of the law and it is therefore ordered:

I. Respondents and each of them are hereby denied all privileges of participating directly or indirectly in any manner or capacity in an exportation of any commodity from the United States to Mexico, excepting however, such commodities as shall be exported from the United States to La Consolidada, S. A., for use in its plant in Piedras Negras, Coahuila, Mexico. Without limitation of the generality of the foregoing provision, participation in an exportation shall be deemed to include and prohibit respondents' participation, directly or indirectly in any manner or capacity, (a) as a party or as a representative of a party to any export license application, (b) in the preparation or filing of any export license application or document to be submitted therewith, (c) in the obtaining or using of any validated or general export license or other export control document, (d) in the receiving or ordering of any commodities in whole or in part exported or to be exported from the United States, and (e) in the financing, forwarding, transporting or other servicing of exports from the United States.

II. Except as it may be necessary to perform any act excepted from the scope of the denial of export privileges in Part I hereof provided, respondents are hereby excluded from practice on behalf of any other person, firm, or corporation before the Bureau of Foreign Commerce, Department of Commerce, as set forth in § 384.2 (a) of the export control regulations.

III. Such denial of export privileges and exclusion from practice shall extend not only to said respondents, their officials, employees, agents and assigns, but also to any person, firm, corporation or business organization with which they or any of them may be now or hereafter related by ownership, control, position of responsibility, or other connection in the conduct of trade involving exports from the United States or services connected therewith.

IV. The aforesaid denial of export privileges and exclusion from practice shall extend for a period of fourteen days from and including July 5, 1954, and an additional fourteen days of denial of export privileges and exclusion from practice shall be held in abeyance for a period of one year from July 5, 1954. In the event that either of the respondents or their firm, or the afore-related persons and companies in Part III, shall knowingly violate the terms of this order or any of the laws or regulations related to export control during such year, the Bureau of Foreign Commerce may summarily and without notice to the person or company responsible for such violation, at such time as it shall determine that such violation has occurred, issue a supplemental order which shall deny to such person or firm all export privileges and exclude him or it from practice for the fourteen day period which has been held in abeyance, and shall revoke all validated licenses then outstanding and as to which

said person or firm may be a party, without thereby limiting the Bureau of Foreign Commerce from taking such other and further action based on such violation as it shall deem warranted.

V. No person, firm, corporation, or other business organization shall, without prior disclosure to, and specific authorization from, the Bureau of Foreign Commerce, directly or indirectly in any manner of capacity, (a) apply for, obtain, or use any license, shipper's export declaration, bill of lading, or other export control document relating to any exportation of commodities from the United States to Mexico, or (b) order, receive, buy, use, dispose of, finance, transport, forward, or otherwise service or participate in, any exportation from the United States to Mexico, or in a reexportation of any commodity exported from the United States to Mexico, other than an exportation to La Consolidada, S. A., for use in its plant in Piedras Negras, Coahuila, Mexico, with respect to which any of the persons or companies within the scope of Parts I, II and III hereof have any interest of any kind or nature, direct or indirect.

Dated: June 30, 1954.

JOHN C. BORTON,
Director,
Office of Export Supply.

[F. R. Doc. 54-5132; Filed, July 6, 1954;
8:46 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-2391]

UNITED GAS PIPE LINE CO.

NOTICE OF POSTPONEMENT OF HEARING

JULY 1, 1954.

Notice is hereby given that the hearing in the above-entitled matter scheduled for July 1, 1954 (order issued June 25, 1954, 19 F. R. 4007) has been recessed to July 8, 1954, at the same time and place.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-5140; Filed, July 6, 1954;
8:48 a. m.]

[Docket No. G-1915]

SOUTH GEORGIA NATURAL GAS CO.

ORDER ON APPEAL FROM RULING OF PRESIDING EXAMINER

On June 4, 1954, the National Coal Association, United Mine Workers of America, and Fuels Research Council, Inc., interveners in this proceeding, jointly filed a formal appeal to the Commission from the ruling of the Presiding Examiner made on the record on May 27, 1954. That ruling completely denied permission to counsel for the aforementioned interveners to cross-examine one of the witnesses in the proceeding.

The direct testimony of the witness was given on behalf of a power company which presently uses oil exclusively as a fuel for the generation of electricity and would, if the certificate of public conven-

ience and necessity were granted, use natural gas for such purpose. Because of this factual situation, the Presiding Examiner concluded that the coal interests represented by the interveners could not possibly be aggrieved by the power company's proposed use of natural gas, and that, therefore, no question that might be asked of the witness within the scope of his direct testimony could have any bearing on the sale of coal to the power company.

The joint petition to intervene filed by these representatives of competitive fuel interests "in opposition to the granting of the certificate of public convenience and necessity applied for in this proceeding" clearly asserts concern not only with respect to current uses of coal but more importantly with the possible destruction of future potential markets for coal.

The Presiding Examiner's ruling completely denying counsel for these interveners the right to cross-examine the power company witness should be reversed and the proceeding reopened to accord due process of law.

The Commission orders:

(A) The ruling of the Presiding Examiner made on May 27, 1954, during the course of the hearing in this proceeding, completely denying counsel for the aforementioned interveners the right to cross-examine one of the witnesses be and the same hereby is reversed and the proceeding reopened for the purpose of according due process of law.

(B) The reopened hearing in this matter be and the same hereby is reconvened commencing July 7, 1954, at 10:00 a. m., e. d. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., at which time and place the witness involved in the Presiding Examiner's ruling shall be made available for the purpose stated in paragraph (A) above.

Adopted: June 30, 1954.

Issued: July 2, 1954.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 54-5191; Filed, July 6, 1954;
8:53 a. m.]

FARM CREDIT ADMINISTRATION

2 3/4 PERCENT CONSOLIDATED FEDERAL FARM LOAN BONDS OF FEBRUARY 1, 1953-55

NOTICE OF CALL FOR REDEMPTION BY THE TWELVE FEDERAL LAND BANKS

Public notice is hereby given that the twelve Federal land banks have called all outstanding 2 3/4 percent consolidated Federal farm loan bonds of February 1, 1953-55, for redemption as of August 1, 1954, in accordance with their terms. Interest on the bonds will cease on August 1, 1954, and the bonds will be payable at par on and after that date.

The twelve Federal land banks have designated the Federal reserve banks and branches and the Treasury Department, Washington, D. C., as agencies for the payment of the aforementioned bonds. It is requested that the bonds be pre-

sented for payment at one of those agencies.

[SEAL] CARL COLVIN,
Acting Governor,
Farm Credit Administration.

JUNE 30, 1954.

Attest:

T. F. MURPHY,
Deputy Governor.

[F. R. Doc. 54-5144; Filed, July 6, 1954;
8:48 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File Nos. 54-127, 59-3, 59-12, 70-1806]

ELECTRIC BOND AND SHARE CO.

ORDER APPROVING AND RELEASING JURISDICTION WITH RESPECT TO FEES AND EXPENSES IN CONNECTION WITH FINAL COMPREHENSIVE PLAN

JUNE 29, 1954.

The above-entitled consolidated proceedings involve proposals and a related plan, as amended, known as the Final Comprehensive Plan, filed pursuant to section 11 (e) and other sections of the Public Utility Holding Company Act of 1935 ("act") to enable Electric Bond and Share Company ("Bond and Share"), a registered holding company, to effectuate compliance with section 11 (b) of the act. In these consolidated proceedings various orders have heretofore been entered by the Commission reserving jurisdiction with respect to the fees and expenses paid or to be paid for services rendered in connection therewith.

Applications for allowances or approval of amounts already paid to various participants were filed with the Commission. Subsequently, as a first step in fixing the ultimate procedure to be followed with respect to such applications and as an aid to the Commission in determining what fees and expenses it should ultimately approve, the Commission decided it to be necessary or appropriate in the public interest or for the protection of investors or consumers to enter an order dated March 15, 1954 (Holding Company Act Release No. 12408), requiring Bond and Share to file with the Commission, a report setting forth:

(1) The amounts of fees and expenses claimed by the respective applicants for services rendered in connection with such proceedings;

(2) The amounts of fees and expenses which Bond and Share had already paid or would be prepared to pay without modification;

(3) The amounts of fees and expenses, if any, which Bond and Share is willing to pay and which the claimants after negotiation with the company were willing to accept; and

(4) In cases where such negotiations had been unsuccessful, the amounts of fees and expenses which Bond and Share considered to be reasonable and which it would be willing to pay.

In accordance with the Commission's order of March 15, 1954, Bond and Share

filed reports and supplements thereto indicating the amounts of fees and expenses which it has paid or is willing to pay to all fee claimants, who, after negotiation with the company, have indicated a willingness to consider the amounts received or the amounts the company is willing to pay as settlement in full of their claims for compensation and reimbursement of expenses for services rendered in these proceedings; and all such fee claimants have indicated in their applications or amendments thereto their willingness to abide by such settlements.

The Commission having considered the record to date; and being of the opinion

that the allowances hereinafter itemized in Table I are reasonable and are for necessary services performed to the date of the filing of the respective fee applications, and that an order should be entered approving and directing the payment thereof:

It is ordered, That the applications for allowances for services performed to the date of the filing of the respective fee applications and reimbursement of expenses, in the following amounts and to the persons named, be, and hereby are, approved, and Bond and Share is directed to pay such amounts to the extent any portion thereof has not heretofore been paid:

TABLE I

Claimant	Fees	Expenses	Total
Electric Bond & Share Co., expenses		\$243,927.71	\$243,927.71
Simpson Thacher & Bartlett, counsel for Company	\$236,500.00	12,715.91	249,215.91
Drexel & Co., financial adviser to Company	25,000.00		25,000.00
Arthur Wiesenberger & Co., financial expert for Company	15,000.00		15,000.00
General American Investors, Inc.:			
Reimbursement for payment made to Carter, Ledyard & Milburn, counsel, for fee and expenses	25,000.00	1,941.87	26,941.87
Reimbursement for other expenses		3,624.03	3,624.03
Common Stockholders' Committee:			
Committee members:			
Perry J. Walsh	6,000.00	5,572.71	11,572.71
Max Kopelman			
Jacob R. Freund			
Jacob Lippman and Philip Levy, counsel for Committee	110,000.00	5,934.19	115,934.19
Abraham Spilky and Max Kopelman, expert witness and financial consultants of Committee	12,500.00	757.66	13,257.66
Total	430,000.00	274,474.10	704,474.10

It is further ordered, That the jurisdiction heretofore reserved with respect to the allowances herein approved be, and hereby is, released.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 54-5135; Filed, July 6, 1954;
8:47 a. m.]

[File No. 70-3257]

CONNECTICUT RIVER POWER CO. AND NEW ENGLAND ELECTRIC SYSTEM

ORDER AUTHORIZING ISSUANCE AND SALE OF SHORT-TERM UNSECURED PROMISSORY NOTES TO PARENT COMPANY AND TO BANKS

JUNE 29, 1954.

New England Electric System ("NEES"), a registered holding company, and its public-utility subsidiary company, Connecticut River Power Company ("Connecticut"), having filed with this Commission a joint application-declaration pursuant to sections 7, 10 and 12 (f) of the Public Utility Holding Company Act of 1935 ("act") and Rules U-23, U-42 (b) (2), U-43 (a), U-45 (b) (1) and U-50 (a) (2) promulgated thereunder with respect to the following proposed transactions:

Connecticut proposes to issue during the period beginning July 1, 1954, and ending December 31, 1954, unsecured promissory notes in the aggregate principal amount of \$14,300,000. The notes are proposed to be issued as a result of loans up to an amount not exceeding \$13,450,000 from banks and the balance from NEES. Each of said notes will

mature not later than March 31, 1955, and will bear interest at the prime rate at the time of issuance thereof.

According to the application-declaration Connecticut expects that at June 30, 1954, it will have outstanding short-term debt aggregating \$10,000,000 of which \$5,450,000 is payable to banks and \$4,550,000 is payable to NEES. The proceeds derived from the notes proposed to be issued will be used by Connecticut to pay at maturity the \$5,450,000 of short-term notes held by banks and \$850,000 of such notes held by NEES and the balance for construction purposes. Connecticut has stipulated that the maximum amount of short-term debt which it will have outstanding at any one time during 1954 will not exceed \$13,450,000 with banks and \$4,550,000 with NEES and that if any permanent financing is done prior to March 31, 1955, the proceeds derived therefrom will be applied in reduction of, or in total payment of, short-term indebtedness then outstanding, and the amount of the then authorized but unissued short-term debt will be reduced by the amount, if any, by which such permanent financing exceeds the amount of the then outstanding short-term indebtedness.

Due notice having been given of the filing of the application-declaration, and a hearing not having been requested or ordered by the Commission; and the Commission finding that the applicable provisions of the Act and Rules promulgated thereunder are satisfied, and that the application-declaration should be granted and permitted to become effective forthwith:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of said act, that said application-declaration be, and

the same hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL]

ORVAL L. DuBois,
Secretary.

[F. D. Doc. 54-5136; Filed, July 6, 1954;
8:47 a. m.]

[File No. 70-3260]

EASTERN UTILITIES ASSOCIATES

ORDER AUTHORIZING ISSUANCE AND SALE OF COMMON SHARES PURSUANT TO RIGHTS OFFERING TO SHAREHOLDERS

JUNE 30, 1954.

Eastern Utilities Associates ("EUA"), a registered holding company, has filed with this Commission a declaration, pursuant to sections 7 and 12 (c) of the Public Utility Holding Company Act of 1935 ("act") and Rule U-42 (b) (2) promulgated thereunder, with respect to the following proposed transactions:

EUA proposes to offer to its shareholders of record at the close of business on June 29, 1954, 82,451 additional common shares. The shares are to be offered at \$29 per share, the subscription price, on a basis of one such additional share for each twelve common shares held on the record date. An oversubscription privilege at the same price, subject to allotment on the basis of the primary subscriptions, is also proposed to be offered to the shareholders. The rights to subscribe are to be evidenced by transferable subscription warrants which will expire at 3:30 p. m., e. d. s. t. on July 15, 1954. No fractional shares will be issued by EUA. For the convenience of shareholders and without charge to them, Stone & Webster Service Corporation, 49 Federal Street, Boston 7, Massachusetts, the subscription agent, will use its best efforts to purchase or sell rights for the account of warrant holders, but not in excess of eleven rights in any one transaction.

The proposed sale of common shares will not be underwritten but EUA will utilize the services of dealers in soliciting subscriptions. EUA has accepted the offer of, and has entered into an agreement with, Kidder, Peabody & Co. to serve as dealer-manager of the soliciting dealers. As compensation for such services EUA will pay Kidder, Peabody & Co. a fee of \$1,800 plus \$500 if 98 percent or more of the rights are exercised. EUA will also reimburse Kidder, Peabody & Co. for all of its reasonable out-of-pocket expenses up to but not in excess of \$500 and for the fee and expenses of its counsel, estimated at \$2,600. A fee of 30 cents per share will be paid by EUA to the soliciting dealers including Kidder, Peabody & Co., in those cases where they have been instrumental in obtaining subscriptions, with a limitation of \$300 as the maximum aggregate fee payable for this service with respect to each beneficial owner of warrants insofar as it relates to the primary subscriptions. With respect to any shares acquired by Kidder, Peabody & Co. upon the exercise

of warrants and sold to the soliciting dealers, such dealers, including Kidder, Peabody & Co., may be allowed a concession of not more than 60 cents per share and EUA will reimburse Kidder, Peabody & Co. for all such concessions.

Pursuant to Amended Reorganization Plan No. 4 of EUA some of its common shares are held by a Distributing Agent for exchanges for old convertible shares. Rights applicable to these common shares will be sold on July 6, 1954, and the proceeds will be held by the Distributing Agent and will be paid to the persons who become the holders of such common shares as exchanges are made.

From the proceeds of the sale of the additional common shares, EUA will prepay without premium its outstanding short-term bank loan amounting to \$2,000,000 with The First National Bank of Boston. Any proceeds remaining after retirement of the bank loan are expected to be applied to general purposes of EUA, including reorganization expenses to the extent, if any, that such reorganization expenses have not previously been adequately provided for.

The other fees and expenses to be incurred in connection with the proposed issue and sale of common shares are estimated at \$55,000 and include accountant's fees of \$1,000; and fees and expenses of the subscription agent of \$19,500.

It is represented that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed issue and sale of common shares.

Due notice of the filing of the declaration having been given in the form and manner prescribed by Rule U-23, promulgated pursuant to the act, and the Commission not having received a request for a hearing and not having ordered a hearing thereon; and

It appearing that the record is incomplete with respect to the estimated fees and expenses of counsel for EUA; and the Commission finding in respect of the other transactions proposed in the declaration that the applicable provisions of the act and rules thereunder are satisfied, and observing no basis for making adverse findings in respect thereto, and deeming it appropriate in the public interest and in the interest of investors and consumers that said declaration be permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24 and subject to a reservation of jurisdiction over the fees and expenses of counsel for EUA:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of said act, that said declaration be, and hereby is, permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

It is further ordered, That jurisdiction be, and the same hereby is, reserved over the fees and expenses of counsel for EUA.

By the Commission.

[SEAL]

ORVAL L. DuBois,
Secretary.

[F. R. Doc. 54-5137; Filed, July 6, 1954;
8:47 a. m.]

[File No. 70-3265]

BOSTON FUND, INC.

NOTICE OF FILING REGARDING INDIRECT ACQUISITION OF STOCK OF PUBLIC UTILITY CO.

JUNE 30, 1954.

Notice is hereby given that an application has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("act") by Boston Fund, Inc. Applicant has designated sections 9 (a) (2) and 10 of the act as applicable to the proposed transaction which is summarized as follows:

Applicant states that it is an affiliate of Pittsfield Coal Gas Company ("Pittsfield"), by reason of its ownership of 999 shares or 9.9 percent of Pittsfield's outstanding voting securities, and that Pittsfield proposes to acquire from New England Electric System, a registered holding company, all of the outstanding common stock of Berkshire Gas Company ("Berkshire"), a gas utility company (See Holding Company Act Release No. 12511). In its application Boston Fund, Inc., seeks Commission authorization of the indirect acquisition of the above-mentioned common stock of Berkshire.

It is requested that the Commission's order become effective forthwith upon issuance.

Notice is further given that any interested person may, not later than July 12, 1954, at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reason or reasons for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after said date, the application, as filed or as amended, may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transaction as provided in Rules U-20 and U-100 thereof.

By the Commission.

[SEAL]

ORVAL L. DuBois,
Secretary.

[F. R. Doc. 54-5138; Filed, July 6, 1954;
8:48 a. m.]

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

PUBLIC HOUSING COMMISSIONER

DELEGATION OF AUTHORITY TO EXERCISE CERTAIN RESPONSIBILITIES VESTED IN HOUSING AND HOME FINANCE ADMINISTRATOR UNDER VARIOUS STATUTES

The delegation of final authority to the Public Housing Commissioner, published at 18 F. R. 4612-4613, August 5, 1953, as amended at 19 F. R. 2599, May 5, 1954, hereby is further amended in the following respects:

1. The following new subparagraph 1 b is inserted in the delegation immediately after the present subparagraph 1 a:

b. To execute the powers and functions vested in the Administrator in connection with the revolving fund established under the heading "Housing and Home Finance Agency, Office of the Administrator, revolving fund (liquidating programs)" in Title II of the Independent Offices Appropriation Act, 1955, with respect to any functions heretofore or hereafter delegated to the Public Housing Commissioner or otherwise vested in the said Commissioner;

2. Present subparagraphs 1 b and 1 c are accordingly renumbered and relettered 1 c and 1 d, respectively.

(Reorg. Plan No. 3 of 1947, 61 Stat. 954 (1947); 62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U. S. C., 1952 ed. 1701c; 68 Stat. 295-6 (1954))

Effective as of the 1st day of July 1954.

ALBERT M. COLE,
Housing and Home
Finance Administrator.

[F. R. Doc. 54-5141; Filed, July 6, 1954;
8:48 a. m.]

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Area 24]

TEXAS

DECLARATION OF DISASTER AREA

JULY 2, 1954.

Whereas, it has been reported that beginning on or about June 25, 1954, because of the disastrous effects of hurricane, floods and excessive rainfall, damage resulted to residences and business property located in certain areas in the State of Texas; and

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected; and

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act of 1953;

Now, therefore, as Administrator of the Small Business Administration, I hereby determine that—

1. Applications for disaster loans under the provisions of section 207 (b) of

the Small Business Act of 1953 may be received and considered by either of the Offices below indicated from persons or firms whose property situated in the following counties (hereinafter referred to as "the disaster areas") suffered damage or other destruction as a result of the catastrophe above referred to:

Counties of Crockett, Kinney, Maverick, Webb, Val Verde, Zapata.

Small Business Administration Regional Office, 1114 Commerce Street, Dallas 2, Tex.

Small Business Administration Branch Office, Federal Office Building, Room 306, Fannin and Franklin Streets, Houston 2, Tex.

2. Special field offices to receive such applications will not be established at this time.

3. No disaster loan application from any resident or firm situated in the disaster areas will be accepted under the authority of this order subsequent to January 31, 1955.

Dated: July 2, 1954.

WENDELL B. BARNES,
Administrator.

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2:17 p. m.]